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TRADE AND DEVELOPMENT BOARD

Tenth special session

SUMMARY RECORD OF THE 512th MEETING

held at the Palais des Nations, Geneva,
on Tuesday, 20 March 1979, at 3 p.m.

President: Mr. CASTELLANOS (Venezuela)

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The meeting was called to order at 3.40 p.m.

PROCEDURAL MATTERS (item 1 of the agenda):

(c) ANNOUNCEMENT OF ANY CHANGES IN THE MEMBERSHIP OF THE BOARD (continued)

1. The PRESIDENT informed the Board that Benin and Haiti had notified the Secretary-General of their wish to become members of the Board, in accordance with General Assembly resolution 1995 (XIX), as amended. In the absence of any objections, those countries would be declared members of the Board.

2. It was so agreed.

STATEMENT BY THE SECRETARY-GENERAL OF UNCTAD

3. Mr. COREA (Secretary-General of UNCTAD) announced with satisfaction that at its concluding meeting, the Negotiating Conference on the Common Fund had reached agreement on the fundamental elements determining the character and dimensions of the Fund. The final articles of agreement were likely to prove complex and demanding, but the foundations for the Fund were now laid, and that was a significant step forward in the dialogue between developed and developing countries. The Fund would represent an institutional innovation in the sensitive area of world trade in commodities.

4. The developing countries had played a pioneering role in the matter. They had set a new pattern of representation in decision-making and had committed considerable resources to the Fund. However, the common international endeavours also reflected changes of policy on the part of the developed market-economy countries in a positive response to improve commodity markets. The socialist countries of Eastern Europe had long been supporters of the concept of commodity agreements, but the Common Fund represented an innovation to which they also had responded constructively. China's consistent support for both the Common Fund and the Integrated Programme for Commodities had been reflected in the work of the Negotiating Conference.

5. Finally, considerable credit must be given to the individuals from all groups who had demonstrated a steady commitment to reaching agreement. The successful outcome would produce a positive atmosphere at the fifth session of the Conference (UNCTAD V), which presented unparalleled opportunities to create a climate of confidence in international economic co-operation and to guide the international community in the 1980s.

6. The proposed agenda for UNCTAD V was wide-ranging, with no single issue appearing to predominate. It covered virtually all the key issues in the dialogue between developed and developing countries and the themes of international co-operation essential to the establishment of a new international economic order. The proposed agenda items also dealt with current problems, particularly those of the developing countries, but not exclusively so.

7. It was significant that for the first time, an international conference was seeking to approach individual issues with an awareness of a wider strategy for structural change and a recognition that all countries could benefit from such change. For example, the thrust of the Integrated Programme for Commodities centred on the need for structural changes in markets, and while short-term action on the recent emergence of protectionism in international trade was concerned with how to contain if not reverse that trend, the longer-term solution appeared to be related to the global restructuring of trade and of production itself in the member States. The various monetary and financial issues all called for basic changes in institutional structures. Similarly, changes in existing patterns of world trade were highly relevant to the problem of diversifying the trade links of developing countries and to exploiting the vast potential offered by trade among countries having different economic and social systems. The most significant factor of all in effecting the structural changes in world economy needed for the establishment of a new international economic order was economic co-operation among developing countries and collective self-reliance and that theme was prominent on the provisional agenda for UNCTAD V.

8. Another important item related to technology, covering not only the code of conduct on the transfer of technology but also newer aspects such as the development of the technological capability of developing countries, which would likewise contribute to structural changes. Questions relating to shipping, not discussed at UNCTAD IV, appeared on the agenda for the fifth session, since there was need to improve the participation of developing countries in world shipping - an evolution which would also contribute to changing existing patterns.

9. Other items related to the least developed among developing countries and to land-locked and island developing countries. The economic performance of the least developed countries still lagged behind, and some had even experienced negative growth rates in per capita income. Such a state of affairs was not consonant with the professed commitment of the international community to attend to the pressing problems of such countries.

10. The theme of structural change was also the subject of the proposed agenda item 8, the discussion of which would set the tone of the UNCTAD V and give an earnest of its results. The item dealt specifically with two topics: the first - interrelationship of problems in the areas of trade, development, money and finance - had long been recognized by the international community, and the question before UNCTAD V was whether the present ways of dealing with it were satisfactory or whether machinery was not required through which the various elements could be brought together. The second topic - the need for evolution in the rules and principles governing international economic relations - had been formulated at the conclusion of the Second World War, before the developing countries and the socialist countries had emerged as significant partners in world trade. To some extent the problem had been recognized, but mainly by way of waivers and exceptions rather than by a recasting of the rules. The time was approaching to inquire whether the rules continued to be appropriate to contemporary needs.

11. There were new elements which might be taken into consideration, such as the new international economic order, the Charter of the Economic Rights and Duties of States, the Integrated Programme for Commodities, codes of conduct in various fields, and economic integration between industrialized countries and more recently between developing countries. However, their existence was not yet reflected in the acknowledged rules. It was not the task of UNCTAD V to tackle that problem, but discussion at the fifth session might prove helpful to the international community in considering what action should be taken to guide developments in the 1980s. There had been mention of a new international meeting on the lines of the Havana Conference at which the current system had been formulated.

12. The fifth session must also examine the relevance of UNCTAD's rules to the recent change from broad resolutions to concrete negotiations in the handling of international issues. Most issues associated with the establishment of a new international economic order came up for negotiation in UNCTAD and that made it necessary to reconsider such matters as UNCTAD's institutional framework, its place in the United Nations system, its style of operations, its resources and its internal structure, in order to determine whether it was an appropriate instrument with sufficient delivery capability.

13. Lastly, there was a strong expectation that UNCTAD would make a valuable contribution to the new international development strategy for the Third United Nations Development Decade. It would do that partly by decisions on individual agenda items, but the question remained whether further machinery was required to ensure a useful contribution.

14. The timing of the present session of the Board rejected the practice adopted before UNCTAD IV and provided a useful opportunity for member States to voice their preliminary views on agenda items. He hoped that their discussion would take into account the results of the Ministerial Meeting of the Group of 77 as embodied in the Arusha Programme, and the contributions of other groups. He also trusted that the Board would resolve the outstanding issues relating to the provisional agenda. UNCTAD V would be a high visibility conference for the international community, and every State member of UNCTAD had a stake in ensuring that its results were constructive. He was confident that they would respond to the challenge.

15. Mr. ROJAS-CORTAY (Cuba) proposed that the texts of the statement just made by the Secretary-General of UNCTAD and the statement by the President of the Board at the preceding meeting should be distributed as official documents so that they would be available for reference at the present session and at the fifth session of the Conference.

16. Mr. ABUSHADY (Secretary of the Board) said that the cost of producing the statements in the four working languages would amount to approximately $2,600 each, or a total of approximately $10,400.

17. Mr. LALOUX (Belgium) suggested that the statements might be recorded fully in the summary records and the distribution of the latter speeded up, so as to avoid the expense.

18. It was agreed that the texts of the statements by the Secretary-General of UNCTAD and the President of the Board at the preceding meeting should be distributed as documents of the Board.

. _____ (Thailand), speaking on behalf of the Group of 77, said that the

. Manila.

. Group B

. _____ (Pakistan), speaking on behalf of Group D, said that although the

30. The fifth session of the Conference would be an important occasion for discussing a new international economic order and for promoting the trade and economic development of developing countries. His country hoped that the Conference would continue to implement the guidelines set forth at the sixth and seventh special sessions of the General Assembly and take positive action to make progress on urgent major issues of world economy.

31. Transformation of the present unsatisfactory state of international economic relations would not only speed up the development of the national economies of the third world countries and bridge the economic gap between North and South; it would benefit the world economy as a whole. His country was convinced that by persistent effort and by strengthening their unity and co-operation the third world countries would achieve success.

OTHER BUSINESS

32. The PRESIDENT welcomed H.E. Mr. T. Quiazon, Minister of Trade of the Philippines, and H.E. Mr. M. Collanten, Deputy Minister for Foreign Affairs of the Philippines, who would be reporting later on preparations for UNCTAD V.

The meeting rose at 5.15 p.m.